

SULTAN SCHOOL DISTRICT No. 311
Snohomish County, Washington
September 1, 1992 Through August 31, 1993

Schedule Of Federal Findings

1. District Officials Should Only Charge Actual Expenditures Against The Chapter 1 Program

During our audit of federal grants, we reviewed the Chapter 1 grant No. 21615 received by the district from the Washington State Superintendent of Public Instruction (SPI). On the final Chapter 1 reimbursement request for the 1992-93 school year, district officials had claimed and received \$2,513.17 more than was actually expended under the program.

U.S. Office of Management and Budget's (OMB) Circular A-87, *Cost Principles for State and Local Governments*, states in part:

To be allowed under a grant program, costs must meet the following general criteria: Be necessary and reasonable . . . be allocable . . . A cost is allocable to a particular cost objective to the extent of benefits received by such objectives.

The above condition occurred when accounting staff inadvertently claimed some Chapter 1 expenditures twice, thereby causing the over claim of expenditures.

Because of the reporting error, district officials were reimbursed in excess of the actual Chapter 1 costs.

We recommend district officials return \$2,513.17 to the Washington State Superintendent of Public Instruction. We also recommend the accounting staff establish a management review process to ensure that funds requested are reconciled to actual costs incurred.